AMENDMENTS TO THE CLAIMS:

This listing of claims will replace all prior versions and listings of claims in this application.

1 to 6 (Cancelcd).

7. (Currently Amended) Steel pipe formed from a plate of a steel base material, wherein the steel base material comprises, by mass %, C: 0.03 to 0.30%, Si: 0.01 to 0.8%, Mn: 0.3 to 2.5%, P: 0.03% or less, S: 0.01% or less, Al: 0.001 to 0.1%, N: 0.01% or less, and a balance of iron and unavoidable impurities, ~~the steel base material has a dual-phase structure substantially comprising ferrite structure and fine martensite dispersed at the ferrite grain boundaries,~~ wherein

a steel pipe, formed from a plate of the steel base material, and heated at the austenite-ferrite dual-phase temperature region and then quenched, wherein the heating and quenching are after the plate of the steel base material is shaped into the pipe, has a dual-phase structure substantially comprising a ferrite structure and fine martensite dispersed at the ferrite grain boundaries, and has a ratio of the proportional limit of the compression stress-strain curve in the circumferential direction before and after expansion of at least 0.7.

8. (Previously Presented) The steel pipe as set forth in claim 7, wherein the fine martensite has grains of a long axis of 10μm or less and said fine martensite has an area ratio of 10 to 30%.

9. (Canceled)

10. (Previously Presented) The steel pipe as set forth in claim 7, wherein the pipe is heated at a temperature range of 760 to 830°C.

11. (Previously Presented) The steel pipe as set forth in claim 7, further containing, by mass %, one or more of Nb: 0.1% or less, V: 0.3% or less, Mo: 0.5% or less, Ti: 0.1% or less, Cr: 1.0% or less, Ni: 1.0% or less, Cu: 1.0% or less, B: 0.003% or less, and Ca: 0.004% or less.

12. (Previously Presented) The steel pipe as set forth in claim 7, further containing, by mass %, C: 0.03 to 0.10%, having a Charpy V-notch value in the transverse direction at -20°C of 40 J or more, and wherein the ratio of the proportional limit of the compression stress-strain curve before and after being subjected to deformation is 0.7 or more.

Claims 13-17 (Canceled)